

## The U.S. Obligation to the Republic of the Marshall Islands

- The United States has made a commitment to provide \$20 million to the Republic of the Marshall Islands (RMI), a Pacific nation that the U.S. took from Japan after World War II and administered as a territory until 1986. The \$20 million is compensation for economic damages suffered by the RMI after the U.S. unilaterally changed terms of the Compact that guides the relationship between the two nations.
- The U.S. Congress and Executive Branch have recognized the \$20 obligation:
  - Fiscal Year 2020 appropriations funding included \$5 million of the total due, and the accompanying Joint Explanatory Statement noted that this funding was being “provided as an initial payment towards the \$20,000,000 in compensation requested by the Republic of the Marshall Islands for adverse financial and economic impacts[.]”
  - The Trump Administration’s FY21 Budget contained \$5 million in funding out of the remaining \$15 million still owed.
  - **The RMI is requesting the remaining \$15 million as quickly as possible, preferably during FY21 appropriations consideration.**
- **Additional Background.** In 1986 the U.S. signed a Compact of Free Association with the RMI that gave the nation a unique status as a Freely Associated State (FAS). Under the terms of the Compact, the U.S. Government controls the RMI’s defense and national security and may deny other nations access to its strategically located islands and water.
- In approving the Compact, Congress nullified previously agreed upon U.S. tax and trade benefits designed to develop the islands’ economy. As an alternative, the Congress added “Compensatory Adjustments” of up to \$20 million for the RMI if it could substantiate economic losses due to the voided sections of the Compact (P.L. 99-239).
- The RMI provided substantiation for \$244,268,344 in losses. After an extensive review that included the Departments of the Interior and Treasury, the State Department advised the Senate Committee on Energy and Natural Resources that “the RMI has reasonably demonstrated net adverse impacts . . . in making their request for \$20 million.”
- A 2018 GAO report also reiterated, “In 2009, an interagency group convened by the Department of State concluded that the RMI had reasonably demonstrated net adverse impacts. Per the terms of the amended compact, the \$20 million would be deposited into the compact trust fund. In 2010, the department notified Congress of the interagency group findings. However, according to the Department of the Interior, funds have not been appropriated to make such a payment.”
- The GAO report also found that it was unlikely that the RMI trust fund would have sufficient funds to replace annual U.S. economic assistance by FY24 (in part because of late U.S. contributions). In doing so, it recognized the value of additional contributions in compensation for the unilateral congressional changes to the Compact and implications of late payments that remain outstanding.
- **Timing is critical.** The current U.S.-RMI Compact of Free Association will expire at the end of 2023. Negotiations are under way now. **It is important to wrap up this longstanding obligation as soon as possible and provide the remaining \$15 million.**

This material is distributed by Akin Gump on behalf of the Embassy of the Republic of the Marshall Islands. Additional information is on file with the Department of Justice, Washington, DC.

November 19, 2019

The Honorable Charles Grassley  
Chairman  
Senate Finance Committee  
219 Dirksen Senate Office Bldg.  
Washington, D.C. 20510

The Honorable Ron Wyden  
Ranking Member  
Senate Finance Committee  
219 Dirksen Senate Office Bldg.  
Washington, D.C. 20510

The Honorable Frank Pallone  
Chairman  
House Energy & Commerce Committee  
2125 Rayburn House Office Bldg  
Washington, D.C. 20515

The Honorable Greg Walden  
Ranking Member  
House Energy & Commerce Committee  
2322 A Rayburn House Office Bldg.  
Washington, D.C. 20515

Dear Chairmen Grassley and Pallone and Ranking Members Wyden and Walden:

As organizations, businesses and community groups working to remove barriers to healthy living, we urge Congress to fix a legislative oversight that has led to inequitable access to health care for thousands of Pacific Islanders in the United States. Since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), people residing in the United States under the Compacts of Free Association (COFA) have been categorically ineligible for Medicaid. This has caused thousands of Pacific Islanders to be denied basic access to health care, undermining the U.S. relationship with our COFA allies and causing worse health outcomes for COFA families in the U.S.

The Compacts of Free Association are critical U.S. national security and economic agreements with the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau (collectively referred to as the Freely Associated States or FAS). Under the provisions of these agreements, citizens of the FAS may travel to, live, and work in the U.S. in exchange for the U.S. military's exclusive use of and access to these nation's lands, territorial waters, and airspace in the Pacific.

Before 1996, COFA citizens in the U.S. had access to Medicaid through their designation as legally residing non-citizen nationals. Unfortunately, PRWORA stripped COFA communities living in the U.S. of their eligibility for most means-tested federal benefits, including Medicaid. By all accounts, when passing PRWORA, Congress unintentionally excluded this important population from the category of "qualified immigrants" for purposes of federal benefits eligibility.

As a result, over 61,000 COFA individuals and families living in the U.S. and its Pacific territories have struggled to access essential care, despite paying taxes and serving in the U.S. military at per capita rates higher than most U.S. states. Many face serious chronic conditions and health disparities, due to dependency on the U.S., as well as the effects of military activity in the FAS, including nuclear testing. These conditions, such as elevated rates of cancer and diabetes, grow more severe if left untreated.

In August 2019, Secretary of State Mike Pompeo noted that the COFA nations are “great friends of the United States,” during his visit to the FAS. Given this friendship, it is time for Congress to act to ensure that COFA communities are not excluded from health insurance. We applaud Senators Hirono (D-HI) and Schatz (D-HI), and Representatives Cárdenas (D-CA), Radewagen (R-AS), Gabbard (D-HI), Womack (R-AR), Case (D-HI), and Sablan (D-MP) for introducing S. 2218 and H.R. 4821, respectively, the Covering Our FAS Allies (COFA) Act. We also appreciate the actions by some states, including Oregon, Washington, Hawaii, and Arkansas, to use limited state resources to extend health coverage to the community.

To honor the spirit of the Compacts of Free Association and rectify a legislative mistake made nearly 25 years ago, Congress must restore Medicaid eligibility for COFA residents.

Sincerely,

**National Organizations**

Asian & Pacific Islander American Health Forum  
Association of Asian Pacific Community Health Organizations  
ACCESS  
ADAP Advocacy Association  
American Cancer Society Cancer Action Network  
American College of Nurse-Midwives  
American Heart Association  
American Lung Association  
American Muslim Health Professionals  
American Public Health Association  
Asian Pacific American Labor Alliance, AFL-CIO  
Asian Pacific Institute on Gender-Based Violence  
Asian Pacific Partners for Empowerment, Advocacy and Leadership (APPEAL)  
Association for Community Affiliated Plans  
Association of Schools and Programs of Public Health  
Association of University Centers on Disabilities (AUCD)  
Autistic Self Advocacy Network  
Cancer Council of the Pacific Islands  
Caring Across Generations  
Catholic Health Association of the United States  
Center for Law and Social Policy (CLASP)  
CenterLink: The Community of LGBT Centers  
Coalition for Disability Health Equity  
Coalition on Human Needs  
COFA-Community Leadership Advocacy Network  
CommonHealth ACTION  
CommonSpirit Health  
Community Access National Network (CANN)  
Community Catalyst  
Community Health Network of Washington  
Congregation of Our Lady of Charity of the Good Shepherd, U.S. Provinces

Disability Rights Education & Defense Fund (DREDF)  
Empowering Pacific Islander Communities (EPIC)  
Families USA  
First Focus Campaign for Children  
Guttmacher Institute  
Hep B United  
Hepatitis B Foundation  
Indivisible  
Justice in Aging  
March of Dimes  
Marshall Islands Ministry of Health and Human Services  
Medicare Rights Center  
Micronesian Health Advisory Coalition/ COFA-CLAN  
MomsRising  
NAACP  
NAPAFASA  
NASTAD  
National Advocacy Center of the Sisters of the Good Shepherd  
National Asian Pacific American Women's Forum (NAPAWF)  
National Association of Atomic Veterans  
National Association of Atomic Veterans (NAAV)  
National Association of Councils on Developmental Disabilities  
National Association of Social Workers  
National Association of State Long-Term Care Ombudsman Programs  
National Center for Transgender Equality  
National Council of Asian Pacific Americans  
National Council of Asian Pacific Islander Physicians  
National Council of Jewish Women  
National Disability Rights Network  
National Health Law Program  
National Immigration Law Center  
National Institute for Reproductive Health (NIRH)  
National Latina Institute for Reproductive Health  
National LGBTQ Task Force Action Fund  
National Organization for Women  
National Partnership for Women & Families  
National Task Force on Hepatitis B Focus on Asian and Pacific Islander Americans  
National WIC Association  
National Women's Health Network  
National Women's Law Center  
NETWORK Lobby for Catholic Social Justice  
OCA - Asian Pacific American Advocates  
Pacific Island Health Officers Association  
Papa Ola Lōkahi

Partnership for America's Children  
Physicians for Social Responsibility  
Planned Parenthood Federation of America  
PRS Pharmacy Services

**RESULTS**

Samoana Integrated Learning Initiative  
Shriver Center on Poverty Law  
Southeast Asia Resource Action Center (SEARAC)  
SPLC Action Fund  
Treatment Action Group (TAG)  
UnidosUS  
Union of North American Vietnamese Student Associations  
URGE: Unite for Reproductive & Gender Equity  
Young Invincibles

**State and Local Organizations**

**Arizona (AZ)**

Asian Pacific Community in Action  
Chuuk Christian Church of Arizona  
Islands Community Fellowship  
Hellan EyeCare, LLC  
Physicians for Social Responsibility, Arizona Chapter

**Arkansas (AR)**

ACOM  
Arkansas Advocates for Children and Families  
Arkansas Coalition of Marshallese  
Community Clinic NWA  
Community Pharmacy of Springdale  
Faith Full Gospel Church  
La Prensa Libre  
Marshallese Educational Initiative  
Mercy Arkansas  
Northwest Medical Center- Springdale  
NWA African American Heritage Assn  
OurPharma LLC  
Rinamu  
St Francis House NWA, Inc DBA Community Clinic  
UAMS  
University of Arkansas for Medical Sciences

**California (CA)**

Alameda Health Consortium  
API Equality-LA



**APLA Health**

Asian Americans Advancing Justice - Los Angeles

Asian Pacific Islander Forward Movement

California Immigrant Policy Center (CIPC)

California Pan-Ethnic Health Network

CaliforniaHealth+ Advocates

Community Action Board of Santa Cruz County, Inc. (CAB)

Kern Family Healthcare

Korean Community Center of the East Bay

Latino Coalition for a Healthy CA

LifeLong Medical Care

Maternal and Child Health Access

North East Medical Services

Orange County Asian & Pacific Islander Community Alliance (OCAPICA)

Pacific Asian Counseling Services

Physicians for Social Responsibility, San Francisco Bay Area Chapter

Physicians for Social Responsibility-Los Angeles

Regional Pacific Islander Taskforce

San Francisco AIDS Foundation

Taulama for Tongans

United Cambodian Community

Western Center on Law & Poverty

**Colorado (CO)**

Asian Pacific Development Center

**Florida (FL)**

Asian American Federation of Florida

Emgage

eMgage Foundation

Florida Asian Services

Florida Chinese Federation

NANAY CEDC

North Miami Beach Chinese Senior Club

OCA South Florida Chapter

**Georgia (GA)**

Center for Pan Asian Community Services, Inc.

**Hawaii**

AlohaCare

Catholic Charities Hawaii

Chuukese Catholic Community of Hawaii

Hawai'i Children's Action Network

Hawaii Health & Harm Reduction Center  
Hep Free Hawaii  
IHS, The Institute for Human Services  
Kokua Kalihi Valley  
Lanai Community Health Center  
Mālama I Ke Ola Health Center  
Maui Economic Opportunity  
Micronesian Health Advisory Coalition  
Micronesians United Big Island (MU-BI)  
Nations of Micronesia Committee  
Pacific Islands Primary Care Association  
Parents And Children Together  
Partners in Development Foundation  
Progressive Democrats of Hawaii  
St Elizabeth's Episcopal Church  
The Queen's Health Systems  
Waimanalo Health Center  
Waipahu Safe Haven Immigrant/Migrant Center  
We Are Oceania

**Idaho (ID)**

Idaho Voices for Children

**Illinois (IL)**

Asian Americans Advancing Justice | Chicago  
Center for Asian Health Equity

**Iowa (IA)**

Monsoon Asians & Pacific Islanders in Solidarity  
PSR Iowa

**Kentucky (KY)**

Kentucky Equal Justice Center

**Louisiana (LA)**

NOELA Community Health Center

**Maine (ME)**

Physicians for Social Responsibility Maine Chapter

**Maryland (MD)**

Chesapeake Physicians for Social Responsibility  
Public Justice Center

**Massachusetts (MA)**

Pioneer Valley Physicians for Social Responsibility  
Massachusetts Immigrant and Refugee Advocacy Coalition

**Michigan (MI)**

APIA VOTE MI

**Minnesota (MN)**

Immigrant Law Center of Minnesota

**Mississippi (MS)**

Boat People SOS Inc.

**Missouri (MO)**

Springfield Marshallese community

**Nevada (NV)**

Asian Community Development Council  
Southern Nevada Health District

**New Mexico (NM)**

New Mexico Asian Family Center  
New Mexico Center on Law and Poverty

**New York (NY)**

Amida Care  
Center for Independence of the Disabled, NY  
Children's Defense Fund - New York  
Chinese-American Planning Council  
Coalition for Asian American Children and Families (CACF)  
Kalusugan Coalition  
Philippine Nurses Association of New York Inc.

**North Carolina (NC)**

Western North Carolina Chapter Physicians for Social Responsibility

**Northern Mariana Islands (MP)**

Commonwealth Healthcare Corporation

**Ohio (OH)**

Asian Services in Action, Inc.

**Oklahoma (OK)**



Enid Oklahoma New Hope Marshallese  
Micronesian Coalition  
Oklahoma Institute for Child Advocacy  
Oklahoma Micronesian Coalition  
Rural Health Projects, Inc.

**Oregon (OR)**

APANO (Asian Pacific American Network of Oregon)  
COFA Alliance National Network  
Micronesian Islander Community  
Northwest Islanders Club  
Oregon Association of Atomic Veterans ( OAAV )V  
Oregon Physicians for Social Responsibility  
Salem Keizer Coalition for Equality  
The Insurance Coach, LLC

**Pennsylvania (PA)**

SEAMAAC, Inc.

**Rhode Island (RI)**

Center for Southeast Asians  
Neighborhood Health Plan of Rhode Island

**Tennessee (TN)**

Physicians for Social Responsibility - TN Chapter

**Texas (TX)**

Asian American Health Coalition  
Austin Asian Community Health Initiative  
Center for Public Policy Priorities  
Light and Salt Association

**Utah (UT)**

Healthy West Valley Task Force  
Hui Hawai'i O Utah Hawaiian Civic Club  
New Hope Marshallese  
OCA Asian Pacific Islander American Advocates Utah  
Southern Utah Pacific Islander Coalition  
The National Tongan American Society  
United Micronesian Women  
University of Utah Pacific Islander Medical Student Association  
Utah Marshallese Association  
Utah Pacific Islander Civic Engagement Coalition  
Utah Pacific Islander Health Coalition

**Virginia (VA)**

Korean Community Service Center of Greater Washington  
NAKASEC VA  
Virginia Poverty Law Center

**Washington (WA)**

AFT Washington  
Arcora Foundation  
Asia Pacific Cultural Center  
Asian Counseling and Referral Service  
Asian Pacific Islander Coalition of Washington State  
Children's Alliance  
COFA Alliance National Network of Washington  
Community Health Board Coalition  
Community Health Plan of Washington  
Everett Marshallese Association  
Everett Marshallese Ministry United Church of Christ  
Faith Action Network - Washington State  
Health Care Is a Human Right WA  
IDIC Filipino Senior & Family Services  
International Community Health Services  
Islamic Civic Engagement Project  
League of Women Voters- WA State  
Marshallese Community Of Washington  
Marshallese New Hope Church  
No More Bombs  
Northwest Harvest  
Northwest Health Law Advocates  
OneAmerica  
P.I.C.A.- Pacific Island Community Association  
Pacific Island Health Board  
Pacific Islander Community Association  
Pacific Islander Health Alliance North West(PIHA NW)  
Pacific Islander Health Board of Washington  
Peace & Justice Action League of Spokane  
Physicians for a National Health Program Western Washington Chapter  
Puget Sound Advocates for Retirement Action  
Seattle Marshallese Community  
South Puget Sound Asian Pacific Islander Coalition (APIC)  
Statewide Poverty Action Network  
Thanks Country Doctor Community Health Centers  
The Charis Clinic  
U.T.O.P.I.A. Seattle

United for Single Payer  
Veterans For Peace Spokane Chapter #35  
WA CAPAA Commission  
Washington Against Nuclear Weapons Coalition  
Washington Community Action Network  
Washington Physicians for Social Responsibility

**Wisconsin (WI)**

Children's Community Health Plan  
End Domestic Abuse Wisconsin  
Physicians for Social Responsibility Wisconsin

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